



California Department of Veterans Affairs

NEWS FOR VETERANS

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June 10, 2005

CALVET HOME LOAN – PROPERTY INSURANCE PROGRAM

The nationwide firm of Marshall & Swift / Boeckh (MS/B) has entered into a contract with The California Department of Veterans Affairs (CDVA) to provide Replacement Cost Valuations for approximately 16,700 homes in the CalVet home loan program. MS/B is a nationally recognized leader in establishing the proper Replacement Cost Value of homes for insurance purposes and provides services to approximately 95% of all U.S. insurance companies. Homes in the CalVet home loan program are covered for property damage by CDVA through a combination of self-insurance and commercial property insurance. By working with MS/B, CDVA has selected an efficient, cost effective, and consistent method for updating the CalVet portfolio of homes for insurance coverage.

The attached Announcement and Pre-notification letter are being mailed to all Cal-Vet contract holders covered for property damage under the program.

Individuals or organizations wishing to subscribe or unsubscribe to this service may contact us via email at newsforveterans@cdva.ca.gov or by telephone at 1-800-952-5626 or 916-653-2192. For more news and information of interest to veterans, visit our website at <http://www.cdva.ca.gov/>.

LEGISLATIVE & MEDIA ANNOUNCEMENT

RELEASE DATE: June 10, 2005

The California Department of Veterans Affairs (CDVA) is pleased to make the following Announcement:

The nationwide firm of Marshall & Swift / Boeckh (MS/B) has entered into a contract with CDVA to provide Replacement Cost Valuations for approximately 16,700 homes in the CalVet home loan program. MS/B is a nationally recognized leader in establishing the proper Replacement Cost Value of homes for insurance purposes and provides services to approximately 95% of all U.S. insurance companies. Homes in the CalVet home loan program are covered for property damage by CDVA through a combination of self-insurance and commercial property insurance. By working with MS/B, CDVA has selected an efficient, cost effective, and consistent method for updating the CalVet portfolio of homes for insurance coverage

CDVA elected to provide this service as part of its program of putting Veterans First and to meet the objectives of the 1993 Petris Act (Military and Veterans Code Section 987.74). The project will assist CDVA and the homeowners in the CalVet loan program determine proper coverage limits. This program is especially important in light of recent wildfires and other catastrophes that have shown that nearly two thirds of American homes, including CalVet covered homes, are seriously underinsured for property damage. This shortfall is closely linked to remodeling projects that are not reported to insurers. It is not uncommon for these unreported changes to result in a 20% increase in value over several years.

The Replacement Cost project will take place over three years in two phases. During the four-month Initial Phase, MS/B's *Tele-Estimating*™ Services will contact each of the 16,700 CalVet contract holders by mail and/or telephone to establish the Replacement Cost of each home for insurance purposes. The cost for this phase is less than \$16.50 per home.

The Second Phase involves continuous service throughout the three-year contract term. MS/B will provide annual Replacement Cost reviews of all homes in the database and will update the data file for the entire CalVet portfolio of homes, including the addition and deletion of covered home loans. The cost of this continuous service is less than \$3.00 per year per home.

By updating the Replacement Cost Value of each CalVet home, CDVA is making sure that each veteran contract holder will receive the property insurance coverage they should have for their home. In addition, this update of Replacement Cost Values for each CalVet contract holder helps CDVA to meet its statutory requirement to assist veterans in determining the value of their CalVet homes for insurance purposes.

Any constituents who may have questions or concerns about the contents of this announcement should contact the CalVet Home Protection Unit at 1 866-421-6978.

Attached is a sample copy of the letter that CDVA will be sending to all 16,700 CalVet contract holders regarding this project.

The CalVet CDVA Media Contact Person is Jerry Jones at (916) 653-1961.

The MS/B Media Contact Person is Marsha Berenson at 1-800-285-1288 Ext. 2828.

PRE-NOTIFICATION LETTER

STATE OF CALIFORNIA

ARNOLD SCHWARZENEGGER, Governor

DEPARTMENT OF VETERANS AFFAIRS

FARM AND HOME PURCHASES DIVISION
POST OFFICE BOX 942895
SACRAMENTO, CALIFORNIA 94295-0001



Date

Veteran Name
Address
City, State, ZIP

CalVet Contract Number: **(POPULATE POLICY HERE)**

Dear Valued CalVet Contract Holder:

For most of us, our home is the largest investment we will ever make. Despite the need to protect this investment, many people are unsure how much insurance coverage they should have. That's why we've asked Marshall & Swift/Boeckh, the leading provider of building cost information, to conduct a survey with each of our contract holders. The information we obtain from this survey will help determine an estimate of the current cost to rebuild your home.

Please call Marshall & Swift/Boeckh at 800-883-6465, toll free, to complete the 5-7 minute survey about your home's key characteristics. Operators are available Monday through Friday Noon-9 p.m. (PDT) and Saturday 9 a.m. - 3 p.m. (PDT). Your immediate cooperation is important. Please have your CalVet contract number ready when you call.

We have provided a worksheet on the back of this letter containing more details. Please review it to prepare for your phone survey. The worksheet doesn't include all the survey questions, but it addresses the major questions you will be asked.

Protecting your home with adequate insurance coverage is a shared responsibility and we ask for your assistance. Completion of this survey is necessary in order to update your CalVet property insurance (fire and hazard, and disaster coverages). A few moments of your time now may prevent financial hardship if you were to experience a loss. The information you provide to Marshall & Swift Boeckh will be kept confidential and will not be used for any marketing purposes.

NOTE: The CalVet property coverage program does not provide any coverage for your household contents and personal property or for your personal liability. You must contact the insurer of your choice for personal property and liability coverage.

Thank you for your cooperation.

Sincerely,

CalVet Home Protection Unit

VETERANS FIRST